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JAPANESE NOTIONS
OF
EUROPEAN POLITICAL ECONOMY

BEING A SUMMARY OF A VOLUMINOUS REPORT
UPON THAT SUBJECT FORWARDED TO
THE JAPANESE GOVERNMENT

BY
TENTEARO MAKATO

COMMISSIONER OF JAPAN TO MAKE THE INVESTIGATION

PRECEDED BY A SKETCH OF A PRELIMINARY INQUIRY INTO THE
SAME SUBJECT BY MR. TEREMOTO, OF THE
JAPANESE LEGATION

This pamphlet is especially commended to students of political economy in British and American schools. For though of physical athletics there may be enough, of intellectual athletics there is need for more. In these schools there is no doubt much reading and subsequent recitation, but this cultivation of the memory, though important, will not alone produce intellectual strength, and if not accompanied by actual THOUGHT is likely, by and by, to result in mental atrophy.

The transcriber and translator, himself a graduate of the University of Pennsylvania, and in Political Economy, too, had much to overcome before accepting, with his Oriental friends, the radical views of the report.

The decision of these two educated Japanese gentlemen, given after a long and earnest investigation upon a subject of such vital importance as Political Economy, will prove to be, I am sure, both entertaining and profitable. Entertaining, in that they have deviated from paths beaten and tedious. Profitable, in that by questioning the highest scholastic authority they would incite readers to think. For it is only by THINKING FOR OURSELVES, and in no other way, that we practice intellectual athletics.

R. C. K.

PHILADELPHIA

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1899

The genial transcriber and translator of this economic inquiry, my dear friend R. C. K., lived only to see it in press. I miss him much. Resigning his office at the capital, he had joined me in Philadelphia, preparatory to establishing, in my native land, schools for the purpose of arousing thought upon the great social questions now being discussed in most European countries, and with such vehemence in Great Britain and in the United States.

I miss my friend, oh, how much! Yet I shall not travel altogether lonely on my return to Japan. Tender thoughts of my friend will be my company and cheer. Beside me in spirit I shall respire his counsel and force, and be stimulated to double work in humanity's cause.

The first edition of ten thousand copies has been distributed. It has been commended. Approving letters come from many English-speaking lands. I am thus pleased and encouraged. This second edition, in which I have made no change in my friend's text, except the mention of Professor Andrews's change to Chicago and the addition of explanatory foot-notes, I leave in proper hands for wider distribution.

TENTEARO MAKATO.

PHILADELPHIA, December 1, 1898.

Inquiries regarding this pamphlet (the Japanese officials and students having returned) may be addressed to James Love, 627 Market Street, Camden, N. J.

Judge J. M. K., of Philadelphia, father of R. C. K., assumes the loving duty of again distributing five thousand copies.

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“And while professors disagree, the ideas that there is a necessary conflict between capital and labor, that machinery is an evil, that competition must be restrained and interest abolished, that wealth may be created by the issue of money, that it is the duty of government to furnish capital or to furnish work, are rapidly making way among the great body of the people, who keenly feel a hurt and are sharply conscious of a wrong. Such ideas, which bring great masses of men, the repositories of ultimate political power, under the leadership of charlatans and demagogues, are fraught with dangers; but they cannot be successfully combated until political economy shall give some answer to the great question which shall be consistent with all her teachings, and which shall commend itself to the perceptions of the great masses of men.”

“Wealth is the blood of nations. Congestion results when too much is forced into one part of the social body, and atrophy or paralysis results to the parts deprived of it. But, above all, individual rights are universally sacrificed when riches are unjustly distributed. It was these rights that the French Revolution sought to reconquer. If we do not wish to renew catastrophies, we must not renew the conditions that produce them.”—M. GODIN, founder of the Familistère at Guise.

“It often happens that the universal belief of one age of mankind—a belief from which no one was, nor without an extraordinary effort of genius and courage, could at that time be free—becomes to a subsequent age so palpable an absurdity, that the only difficulty then is to imagine how such a thing can ever have appeared credible.”—JOHN STUART MILL.

JAPANESE NOTIONS

OF

EUROPEAN POLITICAL ECONOMY.

FOR some years, at Washington, I had been intimate always with one or more members of the Japanese embassy, a relation brought about by a long residence in Japan and my familiarity with the language.

We had, at times, discussed military matters, literature, art; but more frequently the practical matters of progress,—invention, railroads, electricity, production on a grand scale, and so on. “The factories,” said Teremoto one evening, “with their tall, smoky chimneys, rattling machinery, and increasing monotony of toil, have done our Japanese people, at least our working-people, little good; and according to your great economist Walker, and other college teachers, for whose views, however, I have very little respect, they are not likely to do any.”

Surprised at the remark,—for to me “economics” seemed as out of place in his country as a boiler-factory on Parnassus, or the gospel of Saint W. H. Mallock in the New Testament canon,—I asked if, in Japan, any attention had been paid to political economy. “Until lately,” he replied, “it was, as a science, altogether unknown, and even now, saving as a subject of governmental policy under the name of politics, is ignored except by men educated abroad. Books, to be sure, have been written upon ‘Akinawa’ and ‘Kayura,’ that is to say, on commerce and exchange, and also upon finance, or systems of public loans and revenues; which latter are somewhat like the books of your present school of finance, or so called ‘Economics.’ These books, as do yours, deal with buying and selling, banking, money, and methods of taxation, teaching mainly the art of abducting the honey without alarming the hive.* They have a great deal to say about ‘Kinsing’ [gold], ‘Morso’ [goods], and the ‘Yama Midaso’ [foreigner]. They ignore any inquiry into ‘distribution,’ or, if alluding to it at all, tacitly assume that the present distribution of the produced wealth is between laborers and capitalists (including land-owners with the latter), and that it is based upon unavoidable natural law.

“However, the initiative to my study of this matter did not spring from myself. I had never consciously thought about it at all. In every country, at least in all civilized countries,—Japan, Corea, China, Siam, Hindostan, Europe, America,—there are some so rich as to be wasteful and destructive, and many so poor as to be in want, conditions result-

* Under the name of “Economics” the teaching of political economy has really been abandoned. What is now called “The Science of Exchange,” “The Science of Values,” “The Science,” as Macleod has it, “which treats of the laws which govern the relations of exchangeable quantities,”—if it is science at all, should be classified under the head of mathematics.—MAKATO.

ing, I had thought, from innate differences in individuals: unchangeable ordinances of nature.

"But about three years ago Mr. Neesima, Minister of Education, through the foreign office, wrote to our minister here, in brief, that in Japan the effect of labor-saving machinery, steam-engines, and great factories had not tended to reduce the hours of labor or to relieve women and children from excessive work. Mr. Neesima had fondly believed that these wealth-producing devices would tend towards leisure and opportunity, and that his schools would shortly contain all the children in the land. Yet in Yokohama, Tokyo, Osaka, and throughout 'Dai Nippon' the effect seems to have been the very reverse, and the workingman's life has become not easier, but harder. They have made the cost of living greater and life more anxious. Factories are filling up with children working fourteen hours daily; and lines of little boys and girls aged from ten to fourteen, at our sea-ports, are employed, for a pittance, to coal great ocean steamships. Coolies still go naked; women labor in the fields with babes strapped to their backs; and now, in case of short crops, the small farmers and laborers have no 'Damios' to fall back upon. Facilities for mortgaging have increased, and the land seems to be passing to large holders. The machines, he said, unquestionably do our working-classes harm, and it is really to be feared that the fierce competitive spirit that is engendering will eventually obliterate what we have of antique, picturesque, and lovely among the Japanese people.

"'Make inquiry,' wrote Ishtamusho, head of the foreign office, 'in those places where these wonderful machines are most used, as to their social effects, and learn what methods, if any, have been adopted to cause them to bring that comfort and leisure to the masses for which they were evidently devised.' The ambassador was directed to employ such experts and incur such expense as might be dictated by his judgment, 'on which the Mikado's government confidently relied.'

"I was then," said Teremoto, "an unpaid attaché, and the ambassador, handing me the despatch, directed that I should make, in one or more of the manufacturing cities, a preliminary investigation.

"This I did. In Philadelphia I saw a new phase of American life. On a former visit, with apartments in the Continental, I had seen, I now found, but the upper side of things,—art-galleries, museums, libraries, colleges, costly churches, elegant dwellings, and well-to-do distinguished people. I had too, no doubt, seen great department stores, ship-yards, and locomotive-works, but all from the point of view of a well-fed and contented man. My attention had not been attracted to the workers, except that they appeared to be better clothed, better fed, better housed, and apparently happier than with us.

"I now, under my instructions, was to abjure the civilities of the rich in order to spend my time among and learn something about the poor. My former perceptions I soon found to be illusive. The better dress, houses, furniture, more varied food of these people was accompanied, I was surprised to find, with more tension, more anxiety, and I think with less happiness than among the same classes in Japan. In factories, amid the roar of labor-saving machinery, I found considerable numbers of children and young people of both sexes working ten hours daily, which with the noon hour and the half-hours occupied in going and returning, make a twelve-hour day; called to toil by shrieking steam-whistles and so fearful of being docked or discharged that usually the larger part of them were waiting at the factory doors fifteen to

thirty minutes before time. Posted conspicuously about the rooms I saw 'The Rules,' rigidly forbidding talk, forbidding friends to enter, and so on, enforced by fines. I found that with the lapse of time machines have been speeded faster and faster, and that sometimes one person who formerly ran but one machine, now runs two, three, or even more. In cotton-factories one young woman now has charge of four looms, and occasionally five. I found that these workers rarely owned their own homes, three-fourths at least being tenants liable to eviction upon thirty days' notice. Wages seemed to be no more than a bare living, though at a much higher standard than in Japan, very few accumulating anything. In the coal-mining regions of Pennsylvania, Ohio, and Illinois what they choose to call liberty is really abject slavery. The coal companies usually own all the houses occupied by the miners, and hold eviction over their heads. Besides they maintain company stores charging higher prices and deducting bills weekly from wages. This far-underground, unwholesome, and dangerous toil is wretchedly paid, and although the legal age in Pennsylvania is twelve, many boys much younger are at work. Attempts to better things have usually been defeated by importing brutalized laborers from the east of Europe, or negroes, satisfied with slave wages, from the South. To improve these conditions labor unions had been formed, but were commonly defeated by the men and women out of work and struggling to get it. Strange fact (now first called to my attention, although prevailing in Japan), many cannot get work at all, while those at work must toil to exhaustion. In our loved land, however, the contrasts are less serious. Between rich and poor the gulf is narrower. Our dwellings do not indicate such great extremes, and the politeness of our working-people is in marked contrast to the rudeness, passionate profanity, and threats of American streets.

"Puzzled to account for phenomena that I felt must have an explanation, I visited Pittsburg, Chicago, then Boston, where, ignoring the truth that we are immediately descended from two parents, then four, eight, sixteen, thirty-two, in geometric progression, they trace social differences to heredity, and finally New York, in all finding similar conditions. Then taking to books, I soon found that inequalities of the same kind prevailed all over Europe. The countries had grown rich, but the gains had not been general; and as to happiness, I could only think that there had been no gain at all; for, in America especially, the great body of the people are becoming intelligent enough to chafe at their inability to secure what they feel to be their due. An excessive nervous tension results, recognizable in their neglect of tea (alone used in Japan) for the maddening stimulants, whiskey and beer, and for the dreadful sedative tobacco, disgustingly smoked and chewed.*

"How is this? I said to the librarian there. It is the natural order, he replied, springing from that tendency in mankind to in-

* This strain is by no means confined to the manual working-classes. It is very noticeable among the mercantile and manufacturing as well, in their expensive and underbidding newspaper advertisements, sign-boards upon distant road-sides, or disfiguring mountain scenery and sea-side resorts, or store-front announcements,— "Selling off at Cost," "Prices cut in Half," "Great Summer-Reduction Sale." Besides, one is startled at the immense number of suits at law. These people get no rest. Business, the "struggle for existence," occupies their entire thoughts. Surely *now* (if not before) in this age of undreamed-of wealth-producing machines all men are entitled to higher lives than this.—MAKATO.

crease their numbers up to the limit of subsistence, the inevitable struggle for life.* He first mentioned economics and 'the natural tendency of wages to a minimum,' and called my attention to the alcove, 'Political Economy, Finance, Socialistics.' Tens of thousands of volumes, he said, had been written in all languages; here were only some hundreds of the more widely known. Amid all this literature, said I, bewildered, point to one that briefly explains this 'law of wages.' Point to some glimmer at least that may lead to further light. Here, he exclaimed, is what you need. It is by a man who in the schools holds the highest rank,—Professor Francis A. Walker, M.A., Ph.D. (and since then LL.D.), professor, etc., and deals with the 'Wages Question.' "

"This book was neither pleasant reading nor easy. Dogmatic in its tone, unenlivened by illustration, no enthusiasm is felt, and no indignation, except (later) towards writers less pessimistic than himself, 'apostles of a new political economy and a regenerated humanity,' who question his premises or logic.

"In the opening paragraph he writes, 'All wealth has, of course, to be produced in the first place; and, moreover, it is produced to be consumed, and for this end alone,' and yet he proceeds to treat land † as wealth. Though how land can be produced and consumed he fails to explain; while in another work his 'Political Economy,' after assenting to the formula of most writers that land, labor, and capital are 'the three primary factors in the production of wealth,' defines wealth to be 'all articles of value and nothing else,' of course including land, failing altogether, like most of the professors, to note this 'contradiction of terms.'

"The pictures he presents of child-labor in England—little girls in brick-yards and agricultural gangs of children of both sexes, aged from four to ten—can by any sensitive man be read only by an effort and with tears. No such degradation can be found among any of the peoples to whom the English send missionaries. No such examples of devilish toil can be found except where powers have been utilized and machines invented to produce 'wealth' with undreamed-of ease.

"This is the paradox of progress.

"Walker's explanations are, *first*, 'the Malthusian law,'—that the spiritual being, man, like instinctive beings, animals, tends to increase faster than the food-supply; and, *second*, that the inadequate supply is because of 'the law of diminishing returns in agriculture'; that is

* Malthus, the author of this theory, thinks that man has a tendency to increase in geometric progression, and his food only in arithmetic. But, in procreation, man is not guided as the animals, wholly by impulse. How could any thinking man have presented such a theory? How could a thinking age accept it? Men increase faster than the food supply! Consider the progeny reared by one hen; the millions of eggs spawned by one fish; an acre of bananas producing one hundred and thirty-three times as much food as an acre of wheat, that with good culture yields fifty-fold. Is there not upon the island of Manhattan to-day, with two millions of people, not only more food, but better and more varied food, per unit of population, than one hundred years ago? than two hundred years ago to each unit? Can the poverty of that island be traced to want of food?—MAKATO.

† "Land" in political economy means the universe outside of man,—all that external nature offers to the use of man, including not only the solid surface of the earth, but air, ocean, rivers, sunlight, rainfall, wind-power, gravitation, and so on. For the owners of land own, of course, the landing-place of ships and seines, the rainfall, air, and all the rest. Perry and many recent writers speak of "natural agents" and land. The first free and valueless; the second, as they attempt to show, made valuable by the individual owners.—MAKATO.

to say, because that men whose wants **grow** with their ability to gratify them will reproduce their kind as do the animals, whose wants are definite and **fixed**; and also because any certain extent of ground, as a square rod or an acre, will not forever continue to return to increased exertion ('successive doses of labor') a corresponding increase of bricks or blankets, cabbages or clothing, hay or houses,—that is, of 'wealth'; in short, because all girls of twelve or thirteen will thereafter produce young with the regularity of rabbits, and because the necessities produced on an acre might not suffice for a province; therefore there follow low wages and want, not impartially to all people alike, not to professors of economics, nobles, great landlords, and monopolists, but only—strangest proposition of all—to the classes who produce the wealth!

"Though, to a thinking Japanese, these propositions may seem too absurd for controversy, they are, in fact, the very foundations of the economic structure which Walker and the schools have built; a structure buttressed with a further theory that, though the laborer evidently produces and advances 'capital' or 'wealth' to his employer, and of more value than his 'wages' at the end of the week, no more laborers can find employment **than there is capital to advance to them** their wages!

"A melancholy system! Too dark for the dark ages! A Babylonian tower that, erected in utter misconception of the sky, ends in a confusion of tongues and a dismal ruin of clay.

"His remedies—the trite ones preached from pulpits and urged by moralists of Europe for centuries, or that have been ineffectually attempted by legislation again and again—are,—

"1. Frugality and temperance.

"2. The spreading of individual and mutual intelligence **among working-people.**

"3. Sexual self-restraint.

"4. Factory acts by legislative bodies.

"5. The inculcation of sympathy and respect in the community for laborers.*

"In Japan no old writer that I know of mentions saving as meritorious. Sawa, last century, says, 'Gato, by taking no wife, rearing no children, and eating rice only, got rich. But,' moralizes Sawa, 'where would be, if all laborers acted as Gato, the next generation of workers and soldiers? Truly, it flashes upon my melancholy wit that, though we love silk gowns and idle lives, the Mikado, the Shogun, the princes, the priests, and my worthy self should raise silk and rice for ourselves; and no lives could be offered upon the altars of patriotism but our own.'

"After spending some days upon Walker, my librarian guided me to others. But the tenor of all was the same. For existing social conditions nature, chiefly, is responsible. They are dreamers and 'Utopians' who believe that much change is possible. For the rest there was great disagreement.

"They disputed about the nature of wealth, of value, interest, rent. They were unsettled as to the law of wages, matters lying at the very

* Why, it might be asked, is *labor* so helpless, and "capital" so able to take care of itself? Surely labor produces not only all capital, but all wealth. Yet, according to these writers, it is *naturally* a poor thing, needing "protection" at all times and sympathy.—MAKATO.

base of their structure. They disagreed as to the very scope of political economy. About the only matters upon which I found a consensus of opinion were, first, that the poor are a mere matting, made to be trodden upon; second, that it is **natural** that men should find difficulty in getting employment; third, that it is **natural** that wages should tend to a minimum merely sufficient for support. And with all of them there is a great deal of talk about over-production of wealth and over-production of men.

"To be sure, I had never before attempted to explain these matters; had, in fact, never thought of them at all; but in the presence of these attempts to explain them I stood aghast. I felt in my soul that the peoples who had made these prodigious material advances had failed in the moral one. With ever more and more powerful tools, capable of results that belittle Aladdin's genii, to conclude that the inventing workingman can hope only for a bare living wage! With machinery turning out four-panelled, finished doors, daily twenty-five to the man; planing, tonguing, and grooving flooring fifty times faster than formerly by hand; making blinds, sash, glass, bricks, roofing, nails, paints, wall-paper, and transporting them, too, with so much greater ease than at the beginning of the century, it is harder for the ordinary workingman to own his own home now at its close. So hard that in 1890, in New York City, ninety-four families in each hundred were tenants, many of them packed so closely in unsanitary tenements as to be not only a social menace, but a bitter satire upon the Christianity of the times.

"The light that I sought did not come from the schools. In New York City a discussion was going on upon 'Tenement-House Reform,' and at a great meeting held in Cooper Union, Mr. Henry George's speech advocating, as the only reasonable and business-like way to accomplish permanent good, the abandonment of taxing houses and goods, to concentrate all tax upon the **value** of lots, made a sensation. Under the prevailing private ownership of land, he urged, and the consequent difficulty of getting work, there results a severe and one-sided competition among workingmen of all kinds, tending to force wages always to a minimum. And that, even if they could be offered good dwellings free of any rent at all, the ultimate result would be a reduction of money wages to the full extent of the avoided rent, as in the case of the parish relief extended to farm laborers in England some sixty years ago.

"By concentrating tax upon the **value** of lots not only would lots now held vacant by speculators be at once offered to builders at lower prices, but by the removal of taxation from buildings there would be encouragement to build. Lot monopoly being broken, tenement-house crowding and suffering would be bettered, to be ultimately, by the widening of the area of the single tax, cured altogether.

"Though my librarian pooh-poohed it, declaring that George was wholly untrained and unscientific, I procured at a store a copy of his 'Land Question.' What a relief from the dread literature I had been involved in! Here was logical exactness at last, illuminated by a facility of forceful illustration and flashes of wonderful eloquence; a style lucid and sparkling as the Kohinoor diamond. But, such is the power of habit, I could not then free myself from the customs of my time. Though the light had dawned brilliantly upon me, to my then dulled eyes it was merely a glimmer. But it was anyhow a glimmer. I recalled, too, the remarks that I had heard on a train in Illinois, after

having passed through a remarkably well-cultivated and thrifty tract of farms. It was a 'school section,' my informant said, that the trustees had fortunately retained, instead of alienating at an early day, as had generally been done. This section now brought in rent to the school district as much per acre **annually** as others had sold for in fee. A gentleman in the next seat remarked, 'Why might not the land of this whole State have been thus fortunately retained?'—a question that now recurred to me with force.

"Nearly a year had elapsed when I made my report to Mr. Iwashida, my chief, in which I explained that, feeling myself to be incompetent, I would suggest as commissioner to pursue the investigation a gentleman fully equipped, Mr. Tentearo Makato, who had graduated at Yale under Professor Sumner, following a previous study at Columbia under Professors Mayo Smith and Seligman.

"At the request of the ambassador Makato came to Washington, where during several evenings the matter was by all three freely discussed. Makato expressed himself as unfavorably impressed by the teachings he had received, and declared that the books recommended and praised by the teachers seemed to him to be abstruse, contradictory, and incomprehensible. He felt confident that no one of them satisfactorily explained the perceived phenomena. 'In this so-called science,' he said, 'there is wide divergence of opinion, and, unlike chemistry, or physics, or astronomy, there is no consistent body of accepted truth. The feeling on the part of many had been that material progress itself would eventually bring the hoped-for moral result; though others hold that it can come only by the slow process of Natural Selection, causing a necessary change in the structure and size of the brain. But, so far, 'Disappointment has kept pace with Time, and, outside the schools, Discontent is exciting her hosts to passion.' I feel sure, he said, though in Japan we have not hitherto moved in this direction at all, that when we do we will, taking common sense for a guide, succeed in threading through this mammoth cave of confusions to light. For our students, having far less to **unlearn** than their European fellows, are for this very reason seemingly brighter. They are, to be sure, like Europeans, born into a web of customs, beliefs, traditions, laws, hard to be freed from. But this web has not, by a long succession of "thinkers," been made to appear a beneficent entanglement established by natural law, the attempt to escape from which is to be condemned as unscientific and absurd.'

"Except an occasional brief letter and a draft for expenses, we heard nothing from the Commissioner for nearly a year; when he returned to explain that he deemed it prudent to delay his report for a time. 'Notwithstanding,' he said, 'that in Japan we have not formulated rules of reasoning, we have in the maxim "Proof is better than argument" a suggestion of the "logic" largely used by the professional economists, who have unconsciously anchored themselves to this fallacy, "Post hoc ergo propter hoc" (after this therefore because of this), which by the logicians they have been so warned to avoid.'

"He had first asked the question, The inequalities that exist in Japan,—great riches and landed estates on one side, beggary and complete landlessness on the other,—here amid the roar of steam-driven wealth-producing machines, do they also exist? And then the further questions, Are these extremes in any way related? and, Is such an unequal distribution of wealth because of conformity to or non-conformity to natural law?

"It was these further questions that had delayed him. The 'why' taught in the schools was extremely unsatisfactory; and their remedies, no better, are mere 'Mended lids to cracked pots.'

"Well, some months later Makato again appeared in Washington, this time with his report. The manuscript, quite voluminous, was accompanied by certain entire printed books.

"At the ambassador's suggestion, this report was summarized in a preliminary paper adapted to ordinary comprehensions in Japan. The whole was thereupon forwarded to the Mikado's government at Tokyo, and after a short delay is now, I believe, going through the press there. The effect that it will have upon Japanese thought may seem slight for a time, but in the end I believe it will be profound."

Mr. Teremoto having furnished me with a copy, and feeling it to be so important, this summary I have translated and herewith print.

THE SUMMARY.

[An accompanying despatch from the ambassador to Japanese Foreign Office omitted.]

"WASHINGTON, D. C., UNITED STATES OF AMERICA,

"TO M. IWASHIDA,

"February 28, 1898.

"Ambassador, etc. :

"YOUR EXCELLENCY,—In accord with instructions given me in January, 1896, commanding an investigation (for the use of the Department of Education) into the condition of laborers in America and Europe, the scientific explanation of such conditions, and the remedial measures adopted, I took an early opportunity to visit the great manufacturing cities of Pennsylvania and New York, and also of the West, where I found full verification of the facts reported by Mr. Inomoto, whose investigations, briefly sketched, are prefixed to this. But I went further, devoting twenty-four months in all, reaching in my investigations European countries.

"It would too much extend this paper to cite a hundredth part of the printed facts accompanying main report; but Mr. Henry George's papers upon 'Labor in Pennsylvania,' the reports of the labor bureaus of Pennsylvania and other States, 'The Bitter Cry of Outcast London,' 'The Poor of Great Cities' (in America and Europe, by sundry writers familiar with each site), 'How the Other Half lives' (a sketch of poverty in New York City, by Reis), 'London Labor and London Poor,' 'Reports of Commissions upon the Better Housing of the Poor' of New York City, and others, all show a most painful, I might say frightful, condition of overwork, poverty, and want in the very centres of 'civilization' and of wealth. 'The tramp has come in with the locomotive, and almshouses and prisons have marked material progress, as well as have costly dwellings, rich warehouses, and magnificent churches. Upon streets lighted with gas and patrolled by uniformed policemen beggars wait for the passer-by, and in the shadow of college and library and museum are gathering the more hideous Huns and fiercer Vandals of whom Macaulay prophesied.' Here is the problem to be solved. What unseen agency is it that, abstracting from the masses in the United States and Great Britain wealth measured by hundreds, yea, by thousands of millions of dollars annually, permits it to be gambled for, enjoyed, and often ridiculously wasted, by men who take no part in its production?

"Before the American Revolution, before these machines and powers came into use, the tramp and the millionaire had not yet developed; each class a complement to the other, each a menace to free institutions, is each, apparently, equally proof to any severity of law.

"My interest was greatly excited, for conditions of the same kind, though of less intensity, prevail in Japan. But admitting, as I tacitly had, that, using our primitive tools, the workers should be poor, why, after invention has increased their power fifty-fold or a hundred-fold, should they still be poor?

"I found many projected reforms, the postulate of each being that social disorder is due to the non-appreciation of the belief it would teach. The principal of these movements to some extent actually in practice are in the direction of,—

"1. Inculcating religious 'truth.'

"2. Prohibition, or restraint of the use of intoxicants.

"3. Frugality and saving.

"4. Taxing commerce, or 'protection.'

"5. Removing taxes from commerce, or free-trade.

"6. Improving the housing of the poor.

"7. The institution (as in Ireland) of peasant proprietorship.

"8. Restraining the immigration of laborers.

"9. Increasing charity.

"10. More and better schools.

"11. Co-operation between labor and capital.

"Other 'reforms,' each with a considerable following, but hardly yet attempted in practice, are,—

"STATE SOCIALISM.—The organization of society somewhat as an army. A project for the governmental 'control of all machinery of production.' Civil law carried to an extreme, and government executives directing all industry.

"ANARCHISM.—Directly in opposition to the above, being no less than the abolition of all civil law.

"COMMUNISM.—The production of wealth in common by the community. No individual property.

"NIHILISM (confined to Russia, I think).—The overthrow of despotic government and the setting up of representative.

"Yet, whatever of evil these reformers pointed out seemed to me to be caused either by the natural impulses of men, or by some greater but unrecognized underlying evil. With, I think, little depth of search, they assume that men, women, and children **naturally** work themselves to disease and death; are **naturally** intemperate; **naturally** dwell in crowded, unwholesome tenements; **naturally** find it hard to get work when they wish to go to work, and are **naturally** landless. And such of these reforms as are within range of possibility (some are wholly impracticable) if carried into practice would be of ill effect, or of little effect, or, at best, the merest palliatives, although of two or three of them it might be said that their **direction** is right."

In China, in Hindostan, in our own loved Japan, civilization is so very ancient that the oldest records do not deal with conditions very different from the present; yet in the old days some wise men saw and occasionally hinted at that "grave injustice of men" which long continued custom now presents to us as the justice of God, and that no one for ages has questioned. Shihosho, in "The Peasant's Woe," sings,—

"Ah! my man, my brave and patient worker; the Daimio owns the soil, the winds, the rain, the very air thou breathest. Work, work, thou patient slave. For thou art a slave." And in the same song, Omari, the priest, tells the peasant, "I don't wish to cultivate rice in a marsh and in the hot sun." "Well! But you need rice!" "Truly," replies Omari, "but are there not tithes?" And that divine man Sebayama of old, sings, "Ah! the lot of the worker! His sad lot. I think of it and weep. Japan is a Kanguri tree; its few leaves beautiful and breezy; its summit crowned with bright flowers and fruit; yet, supporting all, the great net-work of roots grovel in darkness in the ground."

Of the northern European, a comparative new civilization, however, more is known. In Britain and in Germany Cæsar found a people brave and liberty loving, among whom was a fair equality of condition. How that original tribal freedom gradually gave way to vassalage under the supremacy of feudal chiefs, and how, later on, with the decline of feudalism there developed a system of direct and indirect personal taxes, money-rents, and "serfage," is clearly known. And that the cause of this enslavement was not yet entirely obscured is seen in the Watt Tyler rebellion of the fourteenth century, where, though the immediate inciting cause was a uniform poll-tax that had been levied upon all, the outbreak was really against landlordism. The records of manor courts were burned; they demanded the abolition of villinage, the restoration of common woods and fields, and of the crown lands that had been alienated to favorites. And also in the German peasants' rebellion early in the sixteenth century, when, among other reforms, they demanded that serfage should be abolished, that game should be free, that the forests and commons appropriated by the rich should be restored.

But with lapse of time and the great development of cities the close relations between man and land seem to have been altogether obscured. There have been popular outbreaks again and again, but with no popular apprehension of the evil to be remedied. Men are few indeed who can, even in a limited way, drag themselves from the customs of their times.

Nearly two thousand three hundred years ago Plato, deploring the great inequality that separated the rich citizens from the poor citizens in opposing camps, with resulting dissension and disaster, made the effort in his ideal "Republic." About four hundred years ago another famous essay was that of Sir Thomas More, in his "Utopia," a name that is now a synonyme for the impracticable. Though himself rich and titled, standing next the king in authority, he says of the governments of his day, "Therefore, as I hope for mercy, I can have no other notion of all the other governments [he excepts Utopia] that I see or know, than that they are a conspiracy of the rich, who in pretence of managing the public only pursue their private ends and devise all the ways and arts they can find out; first that they may without danger preserve all that they have so ill acquired, and then that they may engage the poor to toil and labor for them at as low rates as possible, and oppress them as much as they please." This imagined Utopia, told of by a returned navigator, was an island in the newly discovered Occident, and where existed an order of things quite different from England. Slavery, however, existed in Utopia. More, it seems, could not think of a civilized state without that, though the slaves were well treated. But land was held in common, and, in order to equalize opportunities, the occupants shifted every ten years. Lord Bacon later wrote his "New Atlantis." Then came Hobbes's "Leviathan," Harrington's "Oceana," and others. But, attempted scien-

tific explanations were not made till about the beginning of last century; and towards its middle, in France, there arose a group of most original thinkers under the lead of François Quesnay, physician-in-chief to the king. These men "recognized the fundamental relation between land and labor which had been lost sight of, and arrived at practical truth . . . through a course of defectively expressed reasoning." "Wealth," however, they rightly defined as consisting exclusively of material things drawn from land by the exertion of labor and possessing value in exchange or exchangeability (excluding personal qualities and skill, evidences of debt, and, of course, land). These men saw that "rent," or, as they called it, "the product net,"—the landlord's share (the landlord considered as a landlord only),—is a portion of the produced wealth really created by the community, and not by the landlords; that it justly belongs to the community, being a naturally provided fund for public use; and that taxes levied upon the making, exchanging, or possession of wealth should be abandoned and recourse be had to a tax upon "rent" alone,—the "Impôt Unique,"—in English the "Single Tax."

This conclusion, which after long and patient study I now hold to be true and the **only** remedy for enormous social evils, was by them arrived at by the faulty reasoning that agriculture is the **only** productive employment, which after all expenses of production are paid leaves a premium, or net product, or, as we now say, "rent," in the hands of the non-producing landlord, and that mechanical and commercial employments are "sterile," as, though adding to the value of the things whose form or place they change, this added value is only that which is consumed in the operations. Thus they overlooked altogether the product net, or rents, of cities, which, important then, are now in most civilized countries much greater than the farming and mining rents.

In reasoning that rent arises from the generative principle in nature, and not from competition for the use of land for all purposes, they had established a treacherous foundation that, in its ultimate fall, carried with it their main structure, the Single Tax that they had built upon it.

In the storm of the French revolution, and the long wars that ensued, Quesnay and his fellows were forgotten. But in "The Wealth of Nations," printed first in 1776, Adam Smith, taking less radical grounds, and treating land (illogically) as wealth, had better success. Although by adopting this error his book was received, he necessarily failed to grasp the principles of true political economy; while the great army of writers from his time until now, though proud of their "improvements," have been, with very few exceptions, mere hair-splitters of no originality whatever.

These attempted scientific explanations, under the name of political economy or economics, being now everywhere taught, it will be necessary to briefly examine in the effort to discover to the Japanese people whether they are in truth expositions of natural laws so clearly presented as to compel acquiescence, and where upon the main principles, at least, there is a consensus of opinion; or whether the economics of the schools, like the Ptolemaic astronomy of the schools, in taking some false step in its premises, has not been compelled to add intricacy to intricacy to a final, incomprehensible confusion of absurdities.

Adam Smith, author of the famous "Wealth of Nations," published first in 1776, and who had in France become personally known

to Quesnay and his friends, though somewhat indefinite and inconsistent as to the nature of wealth, in his definition of capital excludes land, and in his chapters on taxation points out that a tax on "rent" is a desirable tax, and one that cannot be shifted from landlord to tenant. "Ground-rents are a still more proper subject of taxation. . . . A tax upon ground-rents would not raise the rents of houses. It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist, and exacts the greatest rent which can be got for the use of the ground." "Ground-rents and the ordinary rent of land are, therefore, perhaps, the species of revenue which can best bear to have a peculiar tax imposed upon them." He frequently speaks harshly of landlordism, declaring that "as soon as the land of any country has all become private property the landlords love to reap where they have not sown, and demand a rent even for its natural produce"; and that in the Shetlands, where sea-fish are so abundant, the landlord's rent is determined not by the productions of the land, but by the productions of the sea, and that they demand a rent even from gatherers of seaweed that grows beneath the waters of the shore.

Smith and the writers who succeeded him, confusing "land" with "capital" in much of their reasoning, and misled by observing that the working masses, possessing neither, underbid each other in the struggle to live, argued that "wages" (the distributive share of labor in the joint production of land, labor, and capital) are derived from capital, so that no more laborers can be employed than there is capital to employ them; and that wages *naturally* tend to a minimum that will give a bare living.

Then came the Rev. Thomas R. Malthus, who, in a pseudo scientific treatise, concludes that there is a natural tendency in mankind to increase in numbers faster than the food-supply, and thus, wages being limited by the amount of capital, any increase in the quantity of capital must be followed by an increase of laborers, the competition of whom to get work tends wages downward to a mere living, when further increase of numbers is checked by want.*

Then came Ricardo to show that land value ("rent") arises differently from the values of things created by human labor, which are based upon the relative amounts of labor exerted in their production; that land is not produced at all, its value developing altogether from competition for its use, and that rent is thus proportioned to the excess of the production of any particular land over the produce of land "at the margin of cultivation," which can be had for nothing, or no rent. Ricardo, however, like most of his predecessors and successors, overlooked city land, the most important of all, notwithstanding that its rent is based upon the same principle.

Then was developed what the writers called "the law of diminishing returns in agriculture,"—that is, that past a certain stage of production additional "doses of labor," as they express it, bring proportionally smaller and smaller and finally no further returns at all.

Thus it seemed as if labor was left without hope, and that by the

* Genesis, revised and improved by the Rev. Mr. Malthus: "Be fruitful and multiply and replenish the earth and subdue it. But thou shalt not let thy multiplication exceed the multiplication of the herbs and the living things that shall be to thee for meat, which is by arithmetic progression. Shouldst thou get to going faster, by geometric progression, thou, or some of thou, and perhaps most of thou, wilt find thee in a fix."—An "unedited" note, by TERFEMOTO.

very constitution of the world and human impulses great inequality must always prevail. The rich and the poor, wealth and waste, poverty and want can never cease to be.

These writers and the hosts who have followed them, generally without question, include in the term wealth both land and evidences of debt, and even include labor by treating special skill, as that of a surgeon, a preacher, a linguist, or a mechanic, as the "wealth" of these men,—their immaterial wealth.*

Here plainly is what the logicians call a complete "contradiction of terms." Land, labor, and capital the **essential primary factors** in the production of wealth; and land, labor, and capital each in itself treated as wealth! Personal skill, promissory notes, and bonds, land, factory buildings, machinery, money, etc., are, according to these men, all "wealth," and at the same time **primary factors** in the production of wealth! In the physical sciences what would be thought of the professor who, after averring charcoal, nitre, and saltpetre to be the three primary and essential elements or factors in the production of gunpowder, should assert that nitre is not really a primary factor, being composed of the other two, that saltpetre is nothing more nor less than nitre, and then treat each separately as gunpowder! †

Neglecting their own definitions, and thinking of "wages" only as the amounts paid to hired laborers or mechanics at the end of the week or month (that is, "some wages," and not all wages), including land, skill, bonds, etc., also in the term capital, and thinking of returns to capital as combined with returns to labor as the "profits" of capital, and thinking of interest not as always the distributive share of capital, or returns for the use of capital, but very generally as returns for the use of borrowed money only, and yet always confusing "rent" with interest, immense confusion grew into the system,—confusion piled upon confusion to the extreme of absurdity.

To make this more clearly seen I present the following citations from sundry writers, but first and principally from the "Political Economy" of Arthur Latham Perry, LL.D., an author of much repute, and who, writing sixteen years ago, had not yet reached that extreme of absurdity found in later professorial books, quotations from which, I fear, might be received in Japan as incredible:

PERRY'S POLITICAL ECONOMY.—These extracts are from his eighteenth edition, dated 1881, and dedicated to John Bascom, David A. Wells, Francis A. Walker, and William G. Sumner, men of the highest standing in the schools.

"This edition (eighteenth) has grown in size, in symmetry, and in maturity of thought and expression. It has been carefully revised, and in large part rewritten once and again and again," but "in nomencla-

* These men's incomes are not derived from capital, except in a limited way from the capital of their instruments or professional books. They are derived from labor. Whether it be by a weak man or a strong man, one little skilled or much skilled, what is exerted is *labor*, what results to each is *wages*; wealth, if it is in gold or any material thing having exchange value and drawn from land by the exertion of labor; but otherwise, no matter how the individual may consider it, not wealth (politico-economic wealth) even when it is a formal written promise to (at some future time) transfer wealth.—MAKATO.

† Professor Perry. See pages 19 and 21.

ture, . . . in studied clearness of statement on every page, . . . it is the same book still." (Preface, p. vii.)

"A science is a body of exact definitions." A definition, he says, must be so exact that "the class must be perfectly separated, in the mind by the conception and in the words by the definition, from all other classes. The class as defined must include everything that has the quality for the sake of which the investigation is had. There can be no ragged edges"* (p. 89).

"What is established in respect . . . to a part may be . . . affirmed . . . of the whole" (91).

Political economy, he says, "is the science of sales or exchanges. Anything whatsoever that is salable, or can be made so, comes within its view, and scientifically it cares nothing whatever for anything else" (96). "We place the field of the science just where Whately places it,—'*Catallactics, or the science of exchanges*'; just where the continental Kiehl puts it,—'*Die Lehre von der Werthen*' (*the doctrine of values*); and just where Macleod locates it, though we do not like the term 'quantities' in this connection,—'*The science which treats of the laws which govern the relations of exchangeable quantities*'" (112).

Finding that no other writer has satisfactorily defined wealth, and unable himself to fix its bounds, he declares "that a chief reason of the slow progress of the science hitherto has been, that it has tried to use a word for scientific purposes which no amount of definition and explanation and manipulation could make suitable for that service" (99). He then proposes that the word "property" shall take its place.

"The three **requisites of production**" (production, be it noted, not of "wealth," but of "property," that is, land, slaves, government bonds) "are, first, 'Natural agents'; . . . second, labor; . . . and third, capital. . . . These three conspire in all production" (167). Note that he here uses "natural agents" in place of "land," in order, later, to treat land as capital, apart from natural agents. He nowhere explains how these natural agents can be used apart from land.

Labor, "the factor of first importance," he defines to be "personal effort of any kind, put forth in view of a return service and for sake of it." "Effort that is not sold is not labor" (204). Which definition excludes labor expended in producing things to be consumed directly by the laborer. "The wise laborer is he who . . . makes himself necessary to his employer. . . . That laborer will be the last one discharged" (210). By laborer he here means only the hired laborers, and unconsciously changes the economic meaning of labor from all human exertion in the production of wealth to some human exertion in the production of wealth.

"The value of labor is controlled by the grand law of supply and demand." "Other influences on wages are secondary at best" (250). In California, in 1849, wages for common labor rose to an ounce (sixteen dollars) a day. Now, with a **superabundance** of capital (indicated by the comparatively low rate of interest), which he argues creates demand for labor, the same class are paid one dollar and twenty-five cents. "The more capital the higher the rate of wages" (273).

* Compare with J. Shields Nicholson, Professor of Political Economy in the University of Edinburgh, page 27, or Bonamy Price, page 32.—MAKATO.

"The demand for labor . . . cannot be unlimited" (225). As societies are composed of men all of whom want more things and are at the same time capable of producing things, is not this unlimited demand for the wealth that can be brought forth only by labor? And is not this unlimited demand for wealth associated with a supply limited only by human ability to produce?

"Wages, therefore, cannot rise indefinitely" (225). Why not? Man's inventive power is practically unlimited. His ability to produce wealth constantly grows. If his wages do not, there is, evidently, some intercepting robber.

Perry treats of **labor** only in connection with the factor **capital**, leaving out the factor **land**. For example, "In this country, where there is nothing to hinder any laborer from becoming a 'capitalist'" (247). "So long as capital and labor rest solely upon their **natural** rights, neither can have the advantage of each other" (247). "Capital . . . has intimate relations with wages, and the two are not antagonistic." "The production of most material bodies is a joint process, in which capital and labor both conspire" (243). "Capitalists are under no obligation to employ laborers at any time" (237). "Wages are paid out of the joint products of the employer's capital and the laborer's industry" (231), etc., etc., etc.

He says, "Strikes are contrary to the very old adage, that it takes **two** to make a bargain" (241). "But let the bargain always be free" (241). "If one party, who happens to have the power to do it, uses anything like compulsion upon the other, it ceases so far forth to be a bargain at all, and becomes a sort of robbery" (241). And yet, as things are now organized, we can so easily see, in the matter of wages, that **three** make the bargain,—to wit, one employer who needs one man, and two men who need employment.

"The second grand requisite of production is capital." "But it is not an original element, because it is of itself a product of the other two factors" (251). But later on he writes "**Land is capital**" (298).

He defines capital as "anything **valuable** outside of man himself which becomes a means of further produce" (252). "We are willing to take the risks with this definition" (252). Thus, after declaring that a definition must be so exact as to clearly and without "ragged edges" separate the thing defined from all other things, he hopelessly confuses the boundary between capital and land.

"And it is because capital brings **gratuitous** natural forces into service," etc. (256). The rainfall, sunlight, air, winds, electricity, gravitation (natural forces), how can they be "brought into service" except on land? The term land includes them all.

"The reward of capital is technically 'profits'" (260). And yet he subdivides profits into **wages** of superintendence, **interest**, and compensation for risk. Thus the distributive shares of landlord, laborer, and capitalist—to wit, rent, wages, and interest—do not correlate. For, though he gives **wages** to labor, he includes, besides interest, wages also in the capitalist's share (wages of superintendence) and also "rent," inasmuch as he declares land to be capital. As to "compensation for risk" it has no place whatever, as risk is eliminated when all the transactions of a community are taken together.

"Capitalists are the principal people who desire steadily, and are

able to pay for, the service of laborers" (266). "The sole sources of riches" (Perry objects to the term wealth) "and taxes is trade" (600). Note that he includes "land," that is, the world,—the universe,—in the term "riches."

"Laborers are every way the economical equals of capitalists. Laborers offer a service to capitalists, and capitalists offer a service to laborers. They stand man to man to the mutual advantage of both, and one is as independent as the other" (267). "As a capitalist, he cannot exist without them; as laborers, they **cannot exist without him**" (267). In all this landlords are omitted,—the men "owning" the whole field of labor,—the world,—with legal power to lock out their landless fellows.

"All that is produced is to be divided; if more is produced, more is to be divided" (269). Yes, but how divided? By including land in the term capital and "rent" in the term "interest," he fails to see that during the past one hundred years, while **interest** has declined, **rent** has enormously advanced.

"Profits and wages are reciprocally the leavings of each other, since the aggregate products created by the joint agency of **capital and labor**" (omits land again) "are wholly to be divided between them. This demonstration is extremely important, as it proves beyond a cavil, that the value of labor tends constantly to rise, . . . and therefore that there is inwrought in the very nature of things a tendency towards equality of condition among men. God has ordered it so" (270). It has been so ordered, no doubt; but God does not keep men in leading-strings. The moral laws, like the physical, are left to man to **discover**. Any other system apparently would maintain men in babyhood. Yet among primitive men we observe a full equality of opportunity, and a fair equality of condition. If starvation exists in an Indian tribe, it is because there is a **real** scarcity of food, equally affecting all. Why, if God ordains equality, has advancing civilization always brought greater and greater inequality, often ending in an overthrow of the civilization and a lapse into barbarism? Spectres of ruined cities and departed empire, though silent, are admonitory.

"All capital is **products** saved for further use in production" (273). Land being included in capital is thus a **product** saved for use in further production!

"Profits are the leavings of wages" (273). But, as I have shown, he includes wages also in profits (wages of superintendence).

"It is conceded by all that air and light and gravity and electricity and other natural powers, **disconnected with the land**" (bold-face type mine), "are free for all to use at will" (274). Maybe, if found **disconnected**. But is it possible to conceive of them as so disconnected? Can any of them be used **apart** from land? To ask these questions is to answer them.

"The questions relating to land and its **products** have been among the most vexed questions in political economy, have exercised a vast amount of ingenuity, and have led to careful observations in the **whole field of agriculture**" (275). He thinks that his "previous definitions and classifications apply here without a break" (275).

Of landlords he writes, "What they received gratuitously they must gratuitously transmit" (278). (He infers here that they can demand a price for improvements alone.) "But if they go farther, and

demand pay for the natural qualities of the soil which God gave and they have not improved, for the sun that shines and the rain that falls on it, the demand is blocked at once by the common sense of the purchaser. . . . I cannot give you something for that which costs you nothing, and which I can get for nothing" (278). The light and frontage of a corner lot, the **natural** fertility of soil and mild climate of California, are they not sold?

"Human motives are such, and everything is so providentially arranged, that we cannot, as a rule, sell God's gifts; it would be derogatory to the Giver if we could" (279). Is not man's freedom God's gift? And is not the earth God's gift? Have not both been sold?

"Whatever makes land more an object of desire than it was before, whether increased fertility or a location now become more **advantageous**, will so far forth increase its value" (281).

"There are no such powers" (indestructible powers of the soil), "and even if there were, their value could not be separated from the value created by labor and capital expended upon it" (280).

"Lands in cities or in the neighborhood of them, lands of unusual fertility or possessing superior building sites, lands containing rich mines or a remarkable water-power, sometimes excite an extraordinary desire to possess them and bear in consequence an extraordinary price" (281).

"Still, the efforts, care, and **abstinence** of their owners, or of others, have made up the essential part of their present **utility**" (bold-face type mine) (282).

"Land may be purchased and held a long time with a view to ultimate profit. . . . Little may have been done for the land originally, and little in the mean time, and yet the ultimate price be large, **because the purchase-money should be replaced with compound interest**" (bold-face type mine) (282). Loss from declining land values ought, then, justly to be made good by the state. And should capital, in the form of factory buildings and machinery, or a grocer's stock, be allowed by their owners to stand ten, twenty, forty years totally untouched, there would remain, I fear, instead of the original cost with interest added, little more than rust, dust, and decaying walls.

"**Abstinence**, therefore, which is one form of effort, has often to do with the value of land" (282).

"This brings us to the very important proposition that by much the largest part of all salable land is nothing more nor less than capital" (283).

"The moment it is recognized as such,* the difficulties that have perplexed economists and statesmen—for example, Mr. George, in his labored discussion of land, and Mr. Gladstone in his Irish Land Bill—mostly, if not wholly, disappear" (283).

"That portion of the land that is capital, then, must, of course, possess all the characteristics of capital, and among these is the **liability to wear out**" (284). This shows, I think, that he confuses improvements with land, and is really, though unconsciously, defending property in improvements (property in wealth), and not property in land.

He speaks of whole tiers of farms in New Hampshire that have

* The writers before him, similarly confused, Perry overlooks. Even Adam Smith, though omitting land from his definition of capital, seems, at times, in his arguments to include it both in capital and wealth.—MAKATO.

fallen in value, and such facts, he thinks, "should shut the mouths of Henry George and the Irish Land Leaguers" (284). But are not the owners of these farms entitled "to their purchase-money back with compound interest"? (282). The values of lands in Babylon and the plains about it have also declined in value, and perhaps to zero. The reason is manifest,—the owners now, there being no inhabitants, can exact no "rent."

"The truth is that the **common sense** of mankind seals such ownership" (284). Common sense may sometimes mean long-continued custom that has utterly fettered thought, and reminds one of the Duke of Argyle's paragraph in assailing Henry George: "I know very well, whether I can unravel his fallacies or not, he is talking the most arrant nonsense, and must have in his composition, however ingenious and however eloquent, a rich combination and a very large percentage of the fanatic and goose." ("The Prophet of San Francisco," *Nineteenth Century*, April, 1884.)

"The rent of leased land is the measure of the service which the owner of the land **thereby** renders to the actual cultivator of it" (288). The word "thereby" in this sentence can refer only to the word "rent" preceding. And consequently the service rendered to the cultivator by the owner is to carry off a part of the cultivator's produce as rent.

"The rent of land does not differ essentially in its nature from the rent of **buildings** in cities, or from the interest of **money**" (288). He here thinks of interest as returns for **borrowed money** only, and not as the distributive share of capital.

"It is also in strict accordance with right that the legal owner should continue to receive a return in the shape of **rent*** for all the fertility and opportunity actually rented by him, and no more" (290).

All through his book "tillable lands," "diversity of soils," "superior crops," "increased fertility," "law of diminishing returns in agriculture," "improvements in cultivation,"—"the questions relating to land . . . have led to . . . observations in the whole field of agriculture," and so on, again and again, show that by "land" he is thinking usually of farm lands.

"The best tenure of lands is the fee simple in the hands of the actual cultivator" (293). The census reports of 1880 and 1890 show that tenancy, both in city and country, is steadily increasing.†

The word "farm" in the United States has quite a different meaning from the same word used in Great Britain. It means here a man cultivating his own fields in his own way, and it means there a man cultivating another's fields with his own funds in a way and on terms made a matter of contract between the two. And these two modes of culture are so distinct that they are not likely to lie alongside of each

* Why does he not say interest, as above suggested?—MAKATO.

† The census reports of 1880 and 1890 show that in ten years *farm tenancy* has grown in *Iowa* from about twenty-four per cent. to twenty-nine and one-half per cent.; in New Jersey, from twenty-four and one-half per cent. to thirty-two per cent.; in Massachusetts, from eight to fifteen per cent.; in Maryland, from thirty-one to thirty-seven and one-fourth per cent.; in Kansas, from thirteen to thirty-three per cent.; in Ohio, from twenty-five to thirty-seven per cent.; and that *city tenancy* in 1890 was in Boston eighty-one and one-half per cent.; in Baltimore, seventy-four per cent.; in Pittsburg, seventy-three per cent.; in Kansas City, seventy-seven per cent.; in Philadelphia, seventy-seven per cent.; in New York City, ninety-four per cent.; and in these cities one-third to one-half of the comparatively few home-owners are mortgaged.

—MAKATO.

other in the same country to any great extent for a very long time" (293).

"In this country the plough is guided almost exclusively by the man who owns the soil" (293). This is not in accord with census reports. Besides, he forgets the landless farm laborers.

"The lands naturally fall into those hands which are most capable of using them productively, because such persons can afford to pay more for them than anybody else" (294). But the **tenants** are everywhere the ones who use them productively. The **landlords'** capabilities are confined to raising and collecting the rents.

"It would seem that the masses of men are educated and developed by nothing so much, at least by nothing more, as and than by the ownership of land" (294). The institution of the "single tax," by which landlessness is abolished, each member of the community having precisely the same rights in the lands of the community as every other member, then would tend greatly to this "education and development."

"The institution of slavery led to the system of large plantations" (295). This is what Americans call "putting the cart before the horse." It was the large landed estates granted by Spanish and English kings that led to the introduction of slavery.

"No degree of merit in the other parts of the British system can ever compensate the want of just and broadly liberal views of land" (298). The land tenure of Great Britain is the same as in the United States, except that the British landlords' powers have been somewhat checked by acts of Parliament.

"The questions of land test the powers of the economist to the utmost" (298).

"Land is a commodity made such by human effort" (298).

"Private property in land is a dictate of the deepest justice and of the largest experience" (298).

"The rent of leased land is but a return service of the cultivator for the use of the capital of the land-owner" (299).

"Superior soils pay a rent because the price of produce justifies the cultivation of inferior soils" (299).

"But is not rent a return for a service rendered? And if the rent be confiscated would the service continue to be rendered?" (86). That is, if rents should be collected, not for private but for public use; if landlords should not be permitted to let out the world, would there be a world to use?

"The price of **produce** (in this term Perry includes land, which he says is **produced**), as of everything else, is determined by the demand for it and the supply of it" (299). As in "products" he includes not only true wealth, but also land (or the universe outside of man) evidences of debt, skill, what can he mean by "everything else"?

"As lands are capital, so rents are **profits**" (299), and "profits," he has said, are resolvable into wages, interest, and compensation for risk.

"An uncommonly competent critic (see *Nation*, ii, 146) conceded, on the appearance of the first edition of this book, that original light was thrown upon the vexed question of land" (p. ix). So Perry is not to be wondered at, because, like all of his compeers, he does nothing more than to put in pseudo-scientific shape the popular beliefs, customs, and prejudices of his age. Rare, indeed, is the mind that they do not fetter.

I confess that upon re-reading these extracts from Perry, in which, priding himself upon his logic, he violates every logical rule and falls into every fallacy; noting his confusions and overlapping definitions, his substitution of the term property for the term wealth, and his varied absurd reasons for the private appropriation of rent, there comes over me a feeling of shame that custom can so degrade the intellect of man.

E. BENJAMIN ANDREWS, formerly professor of political economy at Cornell University, until lately president of Brown University, and who has just accepted the superintendency of the Chicago Public Schools, is a man widely known and of the highest reputation. He seems to have an open mind and to have grown in stature. His book was written after a long course of linguistic study and attempts to comprehend the incomprehensible German and Italian as well as English "economists," in which, for the time, he lost his mental grasp; for these works "so cause the mind vainly to torment itself in the effort to discover their meaning that at last it collapses exhausted, with its capacity for thinking completely destroyed." His book, though less absurd than Perry's, is seemingly an assurance that there still is truth in the assertion of Adam Smith about the universities of his time, the greater part of which have not been forward to adopt improvements, and are "sanctuaries in which exploded systems and obsolete prejudices have found shelter and protection after they have been hunted out of every other corner of the world."

This compendium was published first in 1888, and is yet largely used. The schoolman, as usual, shows all over it. It is entitled "Institutes of Economics," and is by "Elisha Benjamin Andrews, D.D., LL.D., President of Brown University and late Professor of Political Economy and Finance in Cornell University." It is dedicated "To Hof-Rath Dr. John A. R. Von Helferich, Professor of Economics and Finance in the University of Munich, by his former pupil, the author." On the back of the title-page is a quotation of four lines from Xenophon, in the Greek original, without an accompanying translation. Of independent thought there is apparently little. The author rests mainly upon authorities, to whom he constantly refers. The first chapter, "Economics Defined," is headed with these: *Cossa*, Guide, ch. i. *Mill*, Essays, 1829, on Method in Pol. Ec. *Sidgwick*, on do., Fortnightly, 1879. *Roscher*, *Grundlagen*, *Einl.*, ch. i. *Cohn*, *Grundlegung*, *Einl.*, chaps. i, ii, iv. *Garnier*, *Traité d'écon. pol.*, 682-85.

The second chapter, "General and Private Wealth," is headed with *Storch*, *Zur Kritik d. Begr. von Nationalreichthum* (1827). *Marshall*, Economics of Industry, § 7. *Hawley*, Quar. Jour. Econ., vol. ii, 365, 599. *Inama-Sternegg*, *Vom National-Reichthum*, *Deutsche Rundschau*, June, 1883. *Neumann-Spallart*, *Weltwirtschaft*, *Jahrb.*, 1883-84, pp. 8 ff. *Schmoller-Forschungen*, vii.

From his preface I read, "As economics is now in **transition** (bold-face type mine), many deprecate all effort at present to summarize it afresh" (p. vi). Modification or improvement he probably means. "Transition," suggestive of a greater or complete change, as from infirmity to death, is, I think, the unintended expression of a truth.

"Meantime our **best texts**, with all that is true, profound, and well said in them, blend **not** a few propositions that what may be called the general judgment of progressive economists pronounces

inadequate, misleading, or erroneous. Such are especially numerous in regard to the nature of wealth, the scope of economics, and in the weighty rubrics of **Value, Money, Interest, Wages, and Profits**" (all bold-face type mine), (vi). That is, they ("our best texts") are at sea not only upon the very foundation principles of political economy, but even as to its scope!

"Economics is that branch of learning conversant about general wealth." Might not statistics or "finance" also be "conversant about general wealth"? Besides, as "our best texts" disagree as to the nature of wealth, economics is conversant about something not yet defined.

"Wealth," Andrews says, "being the collective name for all those categories of things, powers, relations, and influences which both result from conscious human effort and directly contribute to human welfare in its temporal aspect (1). "Categories of" sounds learned, but should be omitted. And the "things, powers, relations, and influences" may, by this definition, have no value in exchange (as required by other definitions) and yet be "wealth."

"Capital is the name of all **products**, material or immaterial (bold-face type mine) which are engaged in or devoted to the mission of helping labor to create further products. It is thus one great department of wealth" (47). Roscher has well classified the various forms of capital as follows (omits land, but includes "incorporeal or immaterial capital" which is not defined, but probably refers to skill, as of mechanics, physicians, and so on,—that is, to **skilled labor**, or properly **labor**, which cannot be capital at all).

"Ground-rent is the advantage accruing to land-owners from the **use** (bold-face type mine) of certain **uncreated** or **socially created** powers and utilities connected with land, including, besides mere fertility of soil, also mineral wealth, water privileges, location, etc." (166).

"Rent forms no part of the cost of production, and is payable for no service. It swells the individual fortunes only at the expense of society as a whole. . . . Rent does not cause higher prices, but is caused by them (bold-face type mine), (165).*

He includes in the term "wages" the reward of common, unskilled labor only. The rewards (salaries or fees) earned by "peculiar talents" are **profits**. He distributes the produced wealth into rent, interest, wages, and profits, four portions which do not correlate with the factors land, labor, and capital.

ALFRED MARSHALL, Professor of Political Economy in the University of Cambridge, Fellow of St. John's College, and sometime Fellow of Baliol College, Oxford, occupies the first rank, "beyond all question," says Cossa, the eminent Italian economist.

Marshall defines "political economy or economics"† to be a "study of man's actions in the ordinary business of life; it inquires how he gets his income and how he uses it. Thus, it is on one side a study of wealth, and on the other, a more important side, a part of the study of man." I fear that Japanese students may regard this as an ironical production of my own. However, it can be readily verified by turning to page 1 of his book.

Verbose incomprehensibility characterizes Marshall, a style caused

* Compare the lines in bold-face type with Perry on the same subject, *ante*.

† In his "Principles of Economics," 1891.

not only by his confusion of mind, but by his scholastic neglect of the English tongue for Latin, Greek, German, Italian, and French, and also by a mathematical turn, inducing him to still more mystify both himself and his readers by abstruse geometric and algebraic proofs.

Commencing on page 126 are thirteen pages devoted to capital, but that cannot be understood. They deal with "social capital, trade capital, consumption capital, auxiliary capital, potential capital, circulating capital, fixed capital, specialized capital, personal capital." Of personal capital he says, "We might slightly modify Adam Smith's phrases and say that individual capital is that portion of the person's external goods by which he obtains a livelihood (*Erwerbsmittel*)."

Four pages, commencing at 116, are given to "Labor," which he defines, "As any exertion of mind or body undergone, partly or wholly, with a view to some good other than the pleasure derived directly from the work."

Like his compeers, he refers constantly to soil, fertility, crops, and so on, taking but an agricultural view of land. It seems never to occur to him to ask, "Besides cabbages and corn, other things produced by human effort are produced—where?"

"The requisites of production," he writes, "are commonly spoken of as land, labor, and capital: those material things which owe their usefulness to human labor being classed under capital and those which owe nothing to it being classed under land. The distinction is obviously a loose one; for bricks are but pieces of earth slightly worked up, and the soil of old settled countries has for the greater part been worked over many times by man, and owes to him its present form" (191). This extreme confusion runs through all recent writers. They cannot separate man's works from God's. Can't distinguish a brick from a clay bed! And as to farm lands and all other lands, what gives value, and sometimes high value, to lands in new settlements? Manifestly the presence, or the anticipated presence, of a large population. Not that they "have been worked over many times."

He devotes many pages to "Diminishing Returns in Agriculture" and "Doses of Labor," not noting that all extended production, whether of beans or books, pottery or penknives, hay or houses, **must** ultimately require an extension of space.

I doubt that it is possible to discover what Marshall means by "law."

He makes, in thirty-two pages, without coming to positive conclusion, "A preliminary survey of Distribution and **Exchange**," erroneously, I think, treating "exchange" under the head of "distribution" instead of "production," for "it is by exchange and through exchange that man obtains and is able to exert the power of coöperation which, with the advance of civilization, so enormously increases his ability to produce wealth."

"Joint and Composite Demand and Supply" occupy eleven pages, with frequent and elaborate foot-notes, and also eight intricate mathematical notes in the appendix. One of these (No. 14) is here given as a sample of the diablery of recent "economics."

NOTE XIV. (page 434).

Let the demand equation for knives be $y = F(x) \dots \dots \dots (1)$,

let the supply equation for knives be $y = \Phi(x) \dots \dots \dots (2)$,

let that for handles be $y = \phi_1(x) \dots \dots \dots (3)$,

and that for blades be $y = \phi_2(x) \dots \dots \dots (4)$,

then the demand equation for handles is $y \equiv f_1(x) = F(x) - \phi_2(x) \dots \dots (5)$.

The measure of elasticity for (5) is $-\left\{\frac{xf_1'(x)}{f_1(x)}\right\}^{-1}$, that is

$$-\left\{\frac{xF'(x) - x\phi_2'(x)}{f_1(x)}\right\}^{-1};$$

that is $\left\{-\frac{xF'(x)}{F(x)} \cdot \frac{F(x)}{f_2(x)} + \frac{x\phi_2'(x)}{f_1(x)}\right\}^{-1}$.

This will be the smaller the more fully the following conditions are satisfied :

(i) that $-\frac{xF'(x)}{F(x)}$, which is necessarily positive, be large,—i.e., that the elasticity of the demand for knives be small; (ii) that $\phi_2'(x)$ be positive and large,—i.e., that the supply price for blades should increase rapidly with an increase, and diminish rapidly with a diminution of the amount supplied; and (iii) that $\frac{F(x)}{f_1(x)}$ should be large; that is, that the price of handles should be but a small part of the price of knives.

A similar, but more complex inquiry, leads to substantially the same results, when the units of the factors of production are not fixed, but vary, as in the preceding note.

Although devoting a whole chapter to wealth, he gives no definition of it, the nearest approach being, "All wealth consists of things that satisfy wants, directly or indirectly. All wealth, therefore, consists of goods; but not all kinds of goods are reckoned as wealth." But he nowhere tells us what goods are wealth and what goods are not. But evidently in his arguments he treats "land" as wealth; and he makes the direct statement that "we ought for many purposes to reckon the Thames a part of England's wealth."

J. SHIELDS NICHOLSON, M.A., D.Sc., Professor of Political Economy in the University of Edinburgh, some time Examiner in the Universities of Cambridge, London, and Victoria.

At the beginning of his "Introduction"* he devotes two pages to a definition of "economics," commencing, "As it is impossible to compress a treatise into a sentence, it follows that a preliminary definition of any science can be neither adequate nor exhaustive," and then leaves the reader in doubt.

As to the precision of terms so insisted upon by Perry and many other writers, and by all the logicians, he writes, "It is admitted that economic terms are in general incapable of precise and rigid definition, and that a debatable margin must be left between economic species" (37).

In this introduction of eighteen pages the paragraphs are headed, "1. Definitions of Political Economy. 2. The Popular Conception of Wealth. 3. The Economic Conception of Wealth. 4. Political Economy as a Science. 5. The Methods of Political Economy." Yet, notwithstanding these headings, except that he says, "Its province (P. E.) may perhaps be best described **provisionally**, in the words of Adam Smith, as an inquiry into the nature and service of the wealth of nations," he nowhere defines either political economy or wealth. The chapter ends (and with its beginning we don't wonder at it), "In con-

* To his "Principles of Political Economy," 1893.

clusion, the reader may be warned that in the study of political economy he will meet with difficulties of various kinds."

His "root idea of capital" is, "Capital is wealth set aside for the satisfaction—directly or indirectly—of future needs" (11). He makes much reference to Boehm-Bawark and the "positive theory of capital" treating of "Productive capital," "Consumptive capital," "Potential capital," "Fixed capital," and "Circulating capital." And gives no definite reply to his own question, "Does capital include what are called immaterial as distinct from material **utilities?**" (bold-face type mine). Industry, he says, is limited by capital.* Capital is the result of **saving**. Demand for commodities is not a demand for labor. "It has been admitted that most of the valuable qualities of land are capital in the economic sense." Oh! brown brother students of Dai Nippon, have here respect for your own powers. Do some thinking for yourselves. Should this closing word be "sense," as it is written, or "nonsense"?

With little glimmer to aid us we wander in a Scotch fog, where nothing is defined and nothing is certain except the confusion of the guide; stumbling at every step against some such cobble as this: "Is all capital the result of labor? . . . The answer, as in all questions of definition, must depend upon . . . the problem in hand," or as this, "On the other hand, however, it is extremely difficult," etc., etc., etc., *ad infinitum*, throughout the book.

Chapter IV, Book I, treats of "land." The chapter is headed "Nature," but the pages are capped with the word "Production." As in the others, all is indefinite. The mists never clear away. "Of the Gifts of Nature some are practically unlimited, others limited. The distinction between the unlimited and limited utilities afforded to man by nature, as so often happens in economic classification, is indicated by a line which varies in different times and places."

Chapter IX, thirteen pages, headed "Large and Small Farming," is better fitted for a work on agriculture to guide a country laird.

Chapter V, "Labor" (which, however, is not defined), is headed by an analysis of contents, thus: "Twofold meaning of Labor; and first of Subjective Labor. Labor is used in two different senses, which are most briefly described by the philosophic terms subjective and objective; that is to say, labor may be considered, on the one hand, as involving a certain degree and kind of feeling on the part of the laborer, and on the other, as effecting a certain result in doing a certain amount of work. In general the nature of the feeling involved in economic labor must be regarded as in itself painful, disagreeable, or irksome, or, at any rate, as causing a sense of effort or strain. Accordingly, as a rule, it is undertaken and endured with the view of some ulterior object, such as the satisfaction of present or future wants." There is much reference to German authors, their long titled books and incomprehensible contradictory terms, and Marshall is often referred to and criticised.

Marshall.—Nicholson.—Economists? And at two of the greatest of British Universities! For incomprehensible prosy prolixity, and

* "Behold I have given thee the earth as thy inheritance and dwelling-place. But there is not yet a capitalist to hire thee so that thou canst labor and do all thy work. So the Lord formed capitalists of the dust of Havilah wherein is gold, and he gave the earth to the capitalists so that Adam should not stand idle and die, but till the ground for the capitalists and live." Genesis revised by Nicholson.—MAKATO.

bad English, I should give the palm to Marshall. Though Nicholson is nearly his match.*

Dati was born into the world. Honga and his brethren similarly were born into the world. Dati producing nothing, yet gloriously arrayed and wearing curved swords in the silken folds of his sash, is held in high honor as he sips exquisite tea in the cool shade of the cherry blossoms. Honga and his brethren producing the silk, and the sword-blades, and the tea, wearing little clothing the while, toil all day and every day at weary looms, in stifling shops, in hot tea-fields. Oh! Shihosho, Oh! wise man, thou priest of the common father of us all, is it just that the idle few should get much and be worshipped, while the toiling many get little and are despised? "Thou dull drudge," answered Shihosho, "shall a wise man instruct thee to his hurt? Is a priest needed to remind thee of the decree of God that, until thou shalt use thine own mother-wit the oracles, though loud sounding, will be dumb?"

In former feudal times in Europe, and in Japan as well, when the military chiefs held their lands subject to military service, when the rent of crown lands supported the civil service, and when the church lands supported the religious institutions, the charities and schools, the state seems to have met with few financial difficulties.

This was not the "Single Tax," as the professors sometimes urge. Feudalism was a blending of the Roman individual with the German tribal or communal ownership. It was but a partial recognition of the truth that the "rent" of a country belongs to the people of the country. For a large part of the inhabitants, as serfs or slaves, were completely landless, while the freedom of all was hampered by the excessive landed power of great churchmen, manorial lords, barons, and dukes. In the towns, too, full private ownership of land with its evil consequences prevailed from the first.

But with the development of private ownership of "rent" difficulties have arisen, and insufficient revenues have led to national and municipal debts. The revenue of Japan, as of America and European nations, is mainly derived from taxes on "wealth" (true wealth) and industry (including, of course, trade). Such taxes tend to check the production of wealth and to restrain industry. The higher they become the more repressive they become. With progress in population and civilization greater and greater funds are needed for public use. In the village each one has his own well, uses his own lamp, and, needing neither vehicle nor messenger, can by walking readily reach all desired points. As the village grows to a city the wells give way to water-works, the lamps to gas-works, while street-cars and telephones become indispensable to the greater distances. But, property created by human industry (wealth, including capital) often unable to bear further weight of taxation to construct them, these institutions, monopolies in their very nature, are apt to fall into private hands. The result being always corporate extortion and the corruption of the legislative bodies concerned. So corrupt, ultimately, that the people will hardly listen to a proposal for public ownership, as dreading the venality of the officials who would control.†

* Shall I let this stand? Justice answers unhesitatingly, Yes. They are pitifully entangled (as I was myself) in the customs of their times, and their books, made "to darken things that are clear to the open mind," dwarf and blight to a state of dry rot the young minds who struggle long and vainly to comprehend them.

—MAKATO.

† As from such improvements there is no tendency to an increase of the values of machinery, merchandise, or houses, but only of land or "rent," would it not be more

I now present, extracted from many eminent economists, their definitions of political economy and their definitions of wealth. What I have already advanced may seem sufficiently contradictory and absurd; but by these quotations the reader will be assured that in the schools the confusion is general, and that if we hope to arrive at truth we must take other guides than collegiate professors of economics and finance.

ADAM SMITH, whose famous "Wealth of Nations" was published in 1776, defines political economy as the study that treats of "the causes of the improvement in the productive powers of labor, and the order according to which its produce is **naturally** distributed among the different ranks and conditions of men in the society." He attempts a formal definition of capital, but not of wealth. But in the title and elsewhere in his book he uses a term indicating that he excludes evidences of debt and land values, which, though they **may bring wealth to the individual**, form no part of the "wealth of nations," inasmuch as all the bonds and land titles in the nation might be destroyed without loss of wealth. For what one would lose others would gain. Though, after all, Smith is not entirely consistent as to the real nature of the wealth of nations, or wealth in the economic sense. But Smith, and most of the earlier writers upon political economy, agree as to its scope,—to wit, the nature of wealth and the laws of its production and distribution.

JEAN BAPTISTE SAY, in "A Treatise on Political Economy, or the Production, Distribution, and Consumption of Wealth," 1803, says, "Political economy is the economy of society, a science combining results of our observations on the nature and functions of the different parts of the social body." He divides wealth into national and social, and applies the latter term to whatever is susceptible of exchange.

THE EARL OF LAUDERDALE ("An Inquiry into the Nature and Origin of the Public Wealth," 1804) says, ". . . We shall endeavor to establish that land, labor, and capital are all three original **sources** of wealth." But he thinks of land only as for agriculture, and in places treats land as wealth. He makes a distinction between private and public wealth. Government bonds or land may decline in value, and as same interest or rent is paid there is no loss of private wealth—only public. Sugar from a war may advance in price, with no gain to national wealth.

Lauderdale sees clearly that some things that to the individual are similar to wealth, form by no means any part of national wealth. In this connection he refers to land values, and suggests that hitherto free wells in a desert might be reduced to private ownership, and thereby attain a value (exchange value), without adding in the least to the general wealth of the country. For what the well-owners would gain the well-users would lose. Bonds given by government, he seems to feel, cannot form any part of the public wealth. He remarks, that "we had better find out what wealth is before we discuss plans for increasing it." He puts labor before capital in the production of wealth, and says that wealth can only be increased by the means by which it is produced.

M. SISMONDI ("New Principles of Political Economy," 1819) says,

rational to construct them in toto by the single tax on "rent," and so discourage instead of aiding speculation in the *natural opportunities to make a living* (Land)? and at the same time by removing tax from it encourage the production of true wealth?—MAKATO.

"Political economy treats of the physical welfare of man, so far as it can be the work of government, or the nature and cause of the wealth of nations." He presents no definition of wealth, and uses the term indefinitely, like Smith.

HENRY C. CAREY ("Principles of Political Economy," 1840) defines political economy as "the science of the laws which govern man in his efforts to secure for himself the highest **individuality** and the greatest power of his **association** with his fellow-men." Wealth he does not define.

PIERRE JOSEPH PROUDHON ("Qu'est-ce que la Propriété?" 1840). Proudhon is the father of philosophic "anarchism," and is not classed as an economist. To the question, "What is property?" he responds, "La propriété c'est le vol" (property is robbery). He don't define wealth.

M. BASTIAT ("Harmonies of Political Economy," 1840), says, "Political economy is the theory of exchange." "Wealth," in political economy, he writes, "has two meanings. **Effective wealth**, real and realizing satisfactions, or the aggregate of utilities which human labor, aided by the co-operation of natural agents, places within the reach of society. **Relative wealth**,—that is to say, the proportional share of each in the general riches, a share determined by value." "If we regard **products** with reference to their value, we have to do with a species of wealth which procures value to the society, and which I call the wealth of value. It is this last species of wealth which forms the special study of political economy."

JOHN STUART MILL ("Principles of Political Economy," 1848), says, "Writers on political economy profess to teach, or to investigate, the nature of wealth and the laws of its production and distribution." "Wealth" he defines to be all useful and agreeable things which possess exchangeable value, or, in other words, all useful and agreeable things except those which can be obtained, in the quantity desired, without labor or sacrifice."

CARL MARX ("Das Kapital," 1867). Marx, like Proudhon, is not ranked as an "economist." In his work upon "capital" he is not definite upon the limits of capital, including "land" in the term, and makes no definition of "wealth."

J. R. McCULLOCH ("Principles of Political Economy," 1849) says, "**Political economy** is the science of the laws which regulate the production, accumulation, distribution, and consumption of those articles or productions that are necessary, useful, or agreeable to man, and which at the same time possess exchangeable value." **Wealth** consists of "those articles or productions which have exchangeable value, and are either necessary, useful, or agreeable to man."

WILLIAM NASSAU SENIOR ("Outlines of Political Economy," 1850) calls **political economy** "the science which treats of the nature, the production, and distribution of wealth. **Wealth**, all those things, and those things only which are transferable, are limited in supply, and are directly or indirectly productive of pleasure or preventive of pain. . . . Health, strength, and knowledge, and the other acquired powers of body and mind, appear to us to be articles of wealth."

PATRICK EDWARD DOVE ("Elements of Political Science," 1854) says, "It is the province of politics (an abstract science) to determine the laws and the natural theory of **property**, and to settle by axiom the principles on which the objects existing in nature should be rightfully distributed; and it is the province of **political economy**

(an inductive science) to determine in whose possession the objects of nature are most beneficially placed." **Wealth** he don't define.

AMASA WALKER ("Science of Wealth," 1866) says, "Political economy is the science of wealth, and professes to teach the laws by which the production and consumption of wealth are governed." **Wealth** consists of "all articles of value and no other."

HORACE GREELEY ("Political Economy," 1869). Greeley, founder and editor of the *New York Tribune*, was principally a politician; but he was an admirer of Fourier and wrote the one book above. He gives no definition of political economy, but says that "the true end of **political economy** is the conversion of idlers and useless exchangers or traffickers into habitual effective producers of wealth." . . . "One of the chief waste-gates of human effort" is in the transportation across seas and continents of staples or fabrics that might be made at home. He makes the term "property" coterminous with "**wealth**." Treats land as capital or wealth. Thinks that the distinctions drawn between capital and wealth are illusory. "**All products not consumed are capital or wealth.**" "Capital is the unconsumed and unwasted remainder of the fruits of industry," including land in "fruits of industry."

JAMES E. THOROLD ROGERS ("Manual of Political Economy," 1869) says, "The subject of a treatise on **political economy** is the services which men render to each other; but those services only on which a **price** can be put, and which are rendered in order that such a price may be put on them." He includes in wealth "skill and knowledge," and, without saying that land is wealth, treats it as wealth. But he makes no definition of wealth.

W. STANLEY JEVONS ("The Theory of Political Economy," (1871) says, "The science of **political economy** rests upon a few notions of an apparently simple character. Utility, value, labor, land, capital, are the elements of the subject, and whoever has a thorough comprehension of their nature must possess, or be soon able to acquire, a knowledge of the whole science." **Wealth** is "what is (1) transferable, (2) limited in supply, (3) useful." "**Capital** . . . consists merely in the aggregate of those commodities which are required for sustaining laborers of any kind or class engaged in work." Commercial depressions, which have had so many attempted explanations from the professors, are by him thought to be associated with the periodicity of sun spots.

JOHN E. CAIRNES ("Some Leading Principles of Political Economy, Newly Expounded," 1874). "**Political economy**," he says, "is the science which traces the phenomena of the production and distribution of wealth up to their causes in the principles of human nature, and the laws and events, physical, political, and social, of the external world." **Wealth** he makes no attempt to define.

BONAMY PRICE ("Chapters in Practical Political Economy," 1878). The introductory chapter of thirty-one pages is headed, "Is **Political Economy** a Science?" and ends by leaving the reader in doubt both as to that and also as to his definition of wealth. "What is political economy? It is scarcely possible to put a more difficult question, . . . a precise answer to it will never be given." "Wealth is its subject, what it speaks of. But what is wealth? Here, again, we have a question as hard and puzzling as ever." "But it will be said, Must we give up all hope of a scientific definition of wealth? We must."

EMILE DE LAVELEYE ("Political Economy," 1882) says, "**Political economy** may, therefore, be defined as the science which determines what laws men ought to adopt in order that they may with the least possible exertion procure the greatest abundance of things useful for the satisfaction of their wants, may distribute them justly and consume them rationally." **Wealth** is "everything which answers man's rational wants. A useful service and a useful object are equally wealth. . . . Wealth is what is good and useful,—a good climate, well-kept roads, seas teeming with fish are unquestionably wealth to a country, and yet they cannot be bought."

HENRY SIDGWICK ("Political Economy," 1883) says, "Political economy, in England at least, is now almost universally understood to be a study or inquiry concerned with the production, distribution, and exchange of wealth." But he thinks it will be necessary to "substitute for **wealth** other terms of somewhat different denotations." Twenty-two pages are devoted to an attempted definition of wealth, and he leaves it apparently undetermined.

SIMON NEWCOMB ("Principles of Political Economy," 1886). Newcomb is astronomer in charge of Washington Observatory. He says, "**Political economy** treats of human desires and the laws and conditions of their gratification under the circumstances in which men actually find themselves." **Wealth** "in its widest sense designates all those things which men gain by labor and employ to gratify their desires." "That for the enjoyment of which people pay money. The skill, business ability, or knowledge which enables their possessors to contribute to the enjoyment of others, including the talents of the actor, the ability of the man of business, the knowledge of the lawyer, and the skill of the physician is to be considered wealth when we use the term in its most extended sense."

J. LAWRENCE LAUGHLIN ("Elements of Political Economy," 1887), says, "**Political economy** attempts to show what the rules are that control the production, exchange, and distribution of all the wealth which we see in the wonderful industrial system about us." He defines "**material wealth**" as something which satisfies a want; cannot be obtained without some sacrifice of exertion, and is transferable; but he also speaks of "immaterial wealth" without defining it.

FRANCIS A. WALKER ("Political Economy," 1888), says, "Political economy is the name of that body of knowledge that relates to wealth." All that it has to do is "to find out how wealth is produced, exchanged, distributed, and consumed." "The political economist is not to be influenced by any political, ethical, or social considerations." **Wealth** he defines to be "all articles of value and nothing else."

As to the taxation of "rent," which the physiocrats of the last century argued should be the only tax, after giving an extract from each of two most eminent political economists, I add, by way of contrast, one from Walker:

ADAM SMITH (part ii, chap. ii, book v) says, "Ground-rents are a still more proper subject of taxation than the rent of houses. . . . It would fall altogether upon the owner of the ground-rent, who acts always as a monopolist, and exacts the greatest rent that can be got for the use of his ground."

JOHN STUART MILL (book v, chap. ii) writes, "Suppose that there is a kind of income which constantly tends to increase, without any exertion or sacrifice on the part of the owners,—these owners constituting a class in the community whom the natural course of things progressively enriches consistently with complete passiveness on their own part. In such a case it would be no violation of the principles on

which private property is grounded if the state should appropriate this increase of wealth, or part of it, as it arises. This would not properly be taking anything from anybody; it would merely be applying an accession of wealth, created by circumstances, to the benefit of society, instead of allowing it to become an unearned appendage to the riches of a particular class. Now this is actually the case with rent."

FRANCIS A. WALKER (after stating Henry George's proposition to abolish all taxes save that upon "rent") says, "So much for Mr. George's practical proposals. I will not insult my readers by discussing a project so steeped in infamy" (P. E., p. 419).

VAN BUREN DENSLOW ("Principles of the Economic Philosophy of Society, Government, and Industry," 1888) says, "Political economy treats of the duties of government to the people as respects their social well-being, and the natural laws, principles, and truths which apply to society as an organization that subsists by material means, growing as they are supplied and dying as they are withheld." Speaking of the professors of political economy he says, "They dismember it (political economy), and the fragments appear in the next edition of their own works contradicted and refuted by piecemeal. . . . So Adam Smith is modified by Ricardo, Ricardo by McCulloch, and all by Mill, Carey, Macleod, and Jevons. In this discord the true science of political economy seems a dissolving vision. . . . If we include as economists all men who attract attention and followers . . . political economy becomes an incongruous babel of conflicting oracles." He speaks of the "utter discord" in the definition of **wealth**. And his own, six-page, unsuccessful effort ends thus: "Those, therefore, who make wealth consist in exchangeable commodities grasp a quality which is an incident to wealth in a commercial period, which is partial and may be evanescent. Those who define it as **power** seize upon the element in which it is eternal."

RICHARD T. ELY ("Outlines of Economics," 1893). As well as I can make it out his definitions are: (1) Political economy "treats of man in society in a process of development," and (2) "economics may be defined as the science of those social phenomena to which the wealth-getting and wealth-using activity of man gives rise." **Wealth**. He gives several definitions of others, and leaves doubt upon his own.

HENRY D. MACLEOD ("Elements of Economics," 1890) says that economics or the science of wealth is a physical science. Then having found out what wealth is, "economics is the science of the laws which govern the phenomena relating to that quality." **Wealth** is "anything whatever that can be bought, sold, or exchanged, or whose value can be measured in money. . . . Wealth is nothing but exchangeable rights."

HENRY D. LLOYD ("Wealth *vs.* Commonwealth," 1894). Lloyd is a "socialist" and not an economist. However, he don't define **wealth**.

A. T. HADLEY ("Economics: An Account of the Relations between Private Property and Public Welfare," 1896). Commencing at page 1, headed "Preliminary Definitions," are twenty-five pages on "Public and Private Wealth, the Distinction," "Income and Capital," "Different Meanings of Capital," "Mercantiles and Physiocrats," "Modern Views of Money making," "Economic Laws," "Individualism and Socialism," "Intellect *versus* Emotions," "The Struggle for Existence," "Evolution of Human Society," "Economics and Ethics," "Historical Method of Inquiry." In these twenty five pages (a limited field for so many definitions and so wide

a discussion) the reader is supposed to learn, besides many other things, the scope of **economics** and the meaning of **wealth**. But I must say, to be just, that therein the devil himself, with all his cunning, let alone the immature students of Yale, would fail to find any definite notion of anything.

MAFFEO PANTALEONI ("Pure Economics," 1898). "Economic science," he says, "consists of wealth systematically deduced from the hypothesis that men are actuated exclusively by the desire to realize the fullest possible satisfaction of their wants with the least possible individual sacrifice," or, more clearly, the science of values. "The **wealth** of an individual is the sum of the scarce or costly or valuable things possessed by him," and in eight pages he leaves the reader in doubt as to what he includes in the term. But he includes land, bonds, etc., by his definition. He devotes seven pages to "Wealth of a Group of Individuals or a Nation." Quite incomprehensible. One man of a group is subject to malarial fever. Quinine, therefore, in his possession would be wealth; but not wealth in the possession of an "immune." He emulates Marshall in his mathematics, but his illustrations, mostly geometric, are equally opaque.

Most of these men, whose numerous "degrees" and titles, in order to economize space, I have omitted, are, or have been, occupants of chairs of political economy in the greatest of European and American universities.

But Tentearo Makato must stop. Of such contradictory and ridiculous writings there seems to be no end. And, as I have said, not wishing my veracity to be doubted, I have omitted the more absurd. For though political economy has engrossed the attention of some of the most subtle and powerful intellects (three or four of whom I have quoted), by far the largest part of its literature is by men of small caliber and but poorly equipped.

As I contemplate the void through which I have passed, it seems a very bank of New Foundland,—shallow and always befogged, where the passing barks, like the passing professors, are ringing their bells and blowing their horns. Unable at times to avoid ruinous collisions; but, all alike, leaving no lasting impress upon the watery waste.

The numerous histories of political economy are really not properly histories, but critical essays, in which authors and schools are always tested by that ideal standard,—the beliefs of the historian himself. How writers and readers of such books can, in connection with political economy or economics, use the term "science" is hard to be understood, for no orator or poet need go beyond these in seeking a striking metaphor for chaos.

Nearly all the writers, even those who fancy that they oppose Malthus, or who wrote before him, unconsciously, in their reasonings, accept his notions about population. For, in connection with low wages and want, they all speak of **overcrowded** lands, and emphatically so of Japan, although, while three-fourths of its surface have so far never been cultivated, great quantities of agricultural products, as silk, rice, tea, and so on, are exported. Besides, the amount of labor sometimes expended to get food for one rich man would produce plain food for five hundred of his brethren.

There is a tendency, especially among recent writers, to resort to

mathematical illustrations or proofs, usually in appended notes. Indefinite as to principles, in details they apply algebraic formulas, impressive and occult, and assumed to be as scientifically unassailable as the proposition that 2 added to 2 make 4.*

Ah! me, what a literature! How confused are these men! I am reminded of Mandeville's swelling and splendid Japanese vases,—imposing without, but within nothing but cobwebs and dust.

Co-operation between *labor and capital* by many is urged as the remedy for the grievances of the working classes. But the evils do not arise from any conflict between labor and capital. Co-operation in supply can only reduce the cost of exchange, and its effect would be the same as the improvements that have during this century so wonderfully facilitated exchange,—to increase "rent." Co-operation in production is but the method of the whaling service or of the metayer system in agriculture. If (by inciting the men to work harder) production is increased, its effect would be only in the direction of the steam-engine, cotton-gin, and so on,—that is, to increase rent.

That Godin's attempt in France, and others in England, have improved the condition of the workingmen concerned is due to the fact that these cases are isolated. Just as in a country where few can write, the penman has an advantage that ceases when writing becomes general. Godin, a man of noble aspirations, in his book "Social Solutions," says, "Wealth is composed of two elements,—the works of nature (land) and the labor of man (by the latter he means material things produced by labor from land). The first is inalienable, is given for the common use of all, and society cannot justly place any obstacle to the exercise of this right." Yet, like the professors, he includes land in the term capital, and says that capital is equivalent to saved-up labor, and that its service in production is recognized by the payment of interest. "Distribution" is between labor, capital, and invention. Labor gets "wages," capital interest or rent, and invention gets prizes. The remainder is profits. He omits land in his arguments, saying, for example, "The questions touching the relations between capital and labor are becoming more and more urgent." Fourier, in the same way, bases his theory upon the association of "capital, labor, and skill," omitting land as a factor in production.

The years spent in the study of the economics of the schools has not been in vain. Suspecting its futility at an early stage of my investigations, I did not labor, as do so many, to comprehend the incomprehensible and to reconcile the most absurd fallacies with exact reasoning, till the intellectual faculties becoming flaccid cannot reason at all. By my familiarity with their contradictory doctrines I was at last made certain of this, that "wherever else I might find truth, I should not find it there." At this juncture I received from an American missionary at Tokyo a book, accompanied by a letter, commending it, and urging that I should give time to its study. It was a work to which my attention had many times been called, and that attempted to solve the problem of the persistence of want amid advancing wealth,—"*Progress and Poverty*," by Henry George. It was often mentioned in the press, and its adherents, called "single taxers," seemed to be gaining in numbers. George was not of the schools. His name on his title-page was garnished with the certifying brand of no college whatever. He had been mentioned at Yale, but always with strong dissent, and with less respect than Proudhon or Marx, as a socialistic, popular writer, whose absurdities could have no effect whatever upon men "scientifically trained." However, I found later, that university curriculum, though it encourages physical athletics, discourages mental, and that it is possible for one to graduate with a noble physique and an atrophied mind.

* Says Bonamy Price, the Oxford professor, in irritated tone, "So wild, indeed, has been this passion for scientific treatment, that political economy has been translated into mathematical formula."—MAKATO.

My predecessor, Teremoto, had been deeply impressed by Mr. George's writings, and had urged them upon me. But, still imbued with the prejudices of the universities, though I looked askance at **their** teachings, I looked still more askance at his.

Mr. George, about 1870, coming to New York from San Francisco, where the greater accessibility of land afforded greater opportunity to labor, and there was as yet little poverty and distress, was so struck by "the squalid misery in the older and greater city that it appalled and tormented him, and would not let him rest for knowing what caused it and how it could be cured."

The preface, and especially the introductory chapter, called "The Problem," so unlike the dull, flat, bad English of recent professors, who spend so much time in smattering other tongues, to the neglect of their own, that they write nothing with elegance, carried me away. I soon found that he not only clearly defined his terms, but, in his reasonings, adhered strictly to his definitions. I found that he took nothing for granted, but brought "even accepted theories to the test of first principles, and when they did not stand the test, freshly interrogated facts in the endeavor to discover their law." I had studied logic. Here was logic in action. In the formal science I could point out the valid syllogisms and knew the "fallacies" by heart. But it was only by this exactly applied logic that I was aroused really to think.

This man, who I believe to be the freest thinker that the world has known, and his book the most important ever given by man to men, concludes that the earth was given to all men, of all generations, and not to **some** men. That by man's nature, who seeks to gain his ends in the easiest way, some parts of the earth, on which he can accomplish much, become more valuable than other parts on which he can accomplish less. That this excess of productive power, causing competition for the use of such lands, shows itself in "rent," which is a **communal** product, and as clearly belongs to communities as the remainder of the produced wealth belongs to individual producers. That it is as unjust to take from the individual for the use of the community what has been produced by the individual, as it is not to take for the use of all, or of the community, that which is produced by all, or by the community. That, in short, "rent" is the **natural**, God intended fund for general public use, the negation of which law is fatal to prosperity and happiness, and, ultimately, destructive of the freedom of mankind.

But that, on the contrary, "by conforming our institutions to this divine law of justice we will bring about conditions in which human nature can develop its best; will permit such enormous production of wealth as we can now hardly conceive; will secure an equitable distribution; will solve the labor problem and dispel the darkening clouds now gathering over the horizon of European civilization. We will make undeserved poverty an unknown thing; will check the soul-destroying greed of gain, and will enable men to be at least as honest, as true, as considerate, and high-minded as they would like to be. We will open to all, even the poorest, the comforts and refinements and opportunities of an advanced civilization; and we will thus, so we reverently believe, clear the way for the coming of that kingdom of right and justice, and consequently of abundance and peace and happiness, for which the Master told his disciples to pray and work." *

* "The strength of 'Progress and Poverty' is not that it restated fundamental truths which others had before stated. It is that it related these truths to all other

I found that the French founders of political economy, Quesnay and his fellows, were nearer the truth than Adam Smith; and, as will be suggested by what has gone before, that in the inability of the writers to define "wealth," the very object-noun or subject-matter of political economy, the term of first importance in the science, many really acute minds had wasted their energies in ineffectual gropings; for "until wealth is defined there can be no science of political economy." Until we know what wealth is, how is it possible to discover the laws of its production and distribution?

Inasmuch as "capital" must, like all "wealth," be produced by labor from land, it follows that there are but two **primary** factors in production,—labor and land; or, as we might say, laborers and land, or men and land. Now, some men, by conquest or in other ways, may be reduced to the private ownership of other men, and thus have a buying and selling value. This system is "chattel slavery." The surface of the world, "land," in the same way can be reduced to the private ownership of some men and have a buying and selling value. This system is "prædial slavery," even where the men, not being attached to and sold with any particular land, deem themselves free. The **ultimate** result of the latter form is apparently more fatal than the first. Under the chattel form the owners, if not by a sense of justice or personal affection, are by self-interest and public opinion impelled to maintain their slaves in a certain degree of comfort. In sickness they are nursed. If not employed, they are yet provided with shelter and food. In their old age they are cared for. But, with lapse of time, this form of slavery has always given way to the second, for the reason that the second becomes the cheapest. To the prædial slaves the fear of discharge is more effective than an overseer with a whip. No capital is "invested" in these men, nor any capital advanced to them. They do the advancing, as they first **add** to their employers' capital for a week or a month. When no employment offers they can call on no one for support, while the fierce competition among them "to get work" tends wages to the minimum of chattel slaves.

Thus for several centuries chattel slavery has disappeared in Europe, while in Egypt, India, China, Japan, much older civilizations, it disappeared long before. Yet in no countries are the working, wealth-producing masses reduced to so low a standard of comfort,—decidedly lower than that of the former negro slaves in America.*

Civilization, developing first along the Nile and the Euphrates, has from these original centres spread both eastward and westward. In India, Siam, China, and even in Japan, the continental limits were long ago reached, and private ownership has gone on to its ultimate results. In extending westward, the vast Mediterranean, indented with

truths. That it shattered the elaborate structure that under the name of 'Political Economy' had been built up to hide them, and restoring what had, indeed, been a dismal science to its own proper symmetry, made it the science of hope and of faith."—Reply to charge of plagiarism, H. G.

* Rent *tends* to absorb the greater part of the yield of land, no matter for what it may be used. In England land producing on the average say twenty bushels of wheat per acre will rent for seven dollars and fifty cents. In Guernsey middling quality land rents for twenty-five dollars. In Switzerland, another country of *petite culture* and large production, thirty dollars is an average rent per acre. (Cyc. Brit., vol. i, p. 413.) In cities rent rises rapidly to hundreds and thousands of dollars per year per acre. In New York some land (as in Wall Street) rents at the rate of half a million dollars per year per acre.—MAKATO.

deep gulfs and bays, and with its innumerable islands and subsidiary seas, so adapted to the navigation of early days, wonderfully favored intercommunication and interchange of arts and ideas. Later, when private ownership of land in the South had overthrown the liberties of the people, the freer populations of the North taking up this declining civilization of the South carried it to further heights; to the discovery of gunpowder, the compass, and to printing from types; thence on to the discovery of an occidental world, to steam navigation and the railway, making accessible vast stretches of land, tending, especially in this century of steam, to better the condition of labor that had sunk into serfdom, making it more intelligent, restless, dissatisfied, and hopeful. In the East, on the contrary, labor is at the very bottom. There is stolidity, calmness, resignation, despair. In Japan alone, that from its insular structure permits greater freedom of movement and exchange, though the conditions are bad, labor still is cheerful.

Civilization seems to have developed, not alone from a union of contending tribes into nations, but from a union, to some degree at least in equality of opportunity, or community of land, and that with time there develops a more absolute ownership, giving birth to great estates on one side, and a consequent landlessness on the other,—unwonted power and unjustifiable poverty;—whence comes dissension and decline.

The greater part of our civil law springs from a necessary effort to adjust progressing civilization to a state of greater and greater inequality; to accommodate nutriment and movement to the weakening life of a disordered frame tending to dissolution.

The great reform that in the middle of last century was imperfectly proposed by the physiocrats or economists, and that at the close of the present is shown to us in all its symmetry and beauty by Henry George, comes in conflict, not only with existing institutions, but with accustomed habits of thought. And, though obscured from our people by its very simplicity, yet, to grasp it, requires an effort often beyond the strength of men unaccustomed to think,—the effort to free our minds from the meshes of the social web into which we were born.

“Property in land is as indefensible as property in man. It is so absurdly impolitic, so outrageously unjust, so flagrantly subversive of the true right of property, that it can only be instituted by force and maintained by confounding in the popular mind the distinction between property in land and property in things that are the result of labor. Once that distinction is made clear . . . private property in land is doomed.”

“Here is the conclusion of the whole matter: That we should do unto others as we would have them do to us,—that we should respect the rights of others as scrupulously as we would have our own rights respected, is not a mere counsel of perfection to individuals, but it is the law to which we must conform social institutions and national policy if we would secure the blessings of abundance and peace.”

“Political economy is the simplest of the sciences. It is but the intellectual recognition, as related to social life, of laws which in their moral aspect men instinctively recognize, and which are embodied in the simple teachings of Him whom the common people heard gladly.”

With these quotations from the great thinker, and heartily commending their truth, the Commissioner of Japan closes his preliminary report.

Respectfully submitted,

With the highest respect and esteem, by

Your Excellency's faithful servant,

TENTEARO MAKATO, *Commissioner.*

Accompanying my main report are copies of all of Henry George's books, and the commissioner respectfully suggests that a study of "Progress and Poverty" will be facilitated by a preparatory reading of his "Land" question, his "Social Problems," or his "Science of Political Economy" (all now rendered in our tongue). To all who will carefully take this course there will be opened to sight the grand possibilities of the future,—the noble destiny of the human race.

The commissioner is well aware that if his report had been in accord with accepted beliefs he should have been at once hailed as an authority, a light. But that now, while even the radical "Fiji Shimpō" will extend no praise, M. Siki, in the conservative "Nichi Nichi Shimbun" of Tokyo, will, at first anyhow, denounce him as an anarchist, an enemy to mankind, the adoption of whose views would be fatal to Japan. Tentearo Makato will confidently and calmly await the subsidence of passion and the sober second thought of his countrymen, so many of whom have the spirit of the "siudosja," and it will be well to remember that, while many a poisonous draught is savory, there is much truth in our old maxim that "good medicine is bitter in the mouth."

“Such dupes are men to custom, and so prone
To rev'rence what is ancient and can plead
A course of long observance for its use,
That even servitude, the worst of ills,
Because delivered down from sire to son,
Is kept and guarded as a sacred thing.”

—COWPER.

No one really defends private property in land ; he defends property in things produced by labor and that have been **exchanged** for land. Reason is overthrown by custom, whose votaries hold that private land titles, having been granted and sold and bought for centuries, cannot morally be questioned.

But, instead of dry land, suppose that King James had granted to Penn wet land, the great Lake Ontario, forbidding any one to fish there or sail there without Penn's permission. Would that have been right? Decidedly not.

After it had been sold in parcels by the Penns, would the purchasers, their heirs or assigns, acquire titles that the rest of the people could not morally abrogate when they saw fit? Certainly not.

Could private titles to the lake ever become absolute in morals? No.

Well, a cataclysm removes the water from that lake and dry land appears. Would the title of the owners, that you reject as immoral when applied to the lake, be sustained as moral when applied to the land?

Adapted from Louis F. Post's "Lecture Outlines," by R. C. K.

